

*City of San Jose*  
***Former San Jose Medical Center Site***  
***Land Use – Health Care Study***

---

**Stakeholder Advisory Committee Meeting**

150 San Fernando Street, Rooms 255/257

(Dr. Martin Luther King, Jr. Library)

Wednesday, June 20, 2007

6:00 – 8:00 p.m.

**DRAFT MEETING NOTES**

**Committee Members:** Roz Dean, Nancy Hickey, Les Levitt, Julia Ostrowski, Patti Phillips, Andrew Reid, Gary Schoennauer, Bob Brownstein, Dennis Hickey, George Chavez, Jim Murphy, Joe Pambianco, and Paula Velsey

**Staff:** Andrew Crabtree, Kip Harkness, Meera Nagaraj, and Allen Tai

**Consultants:** Dr. Henry Zaretsky and Terry Bottomley

**1. Welcome and Introductions:**

Kip Harkness stated that the highlight of the today's discussions would be a set of draft recommendations to the Committee. Henry Zaretsky announced that Joanne Allen of O'Connor Hospital could not make it to the meeting due to unavoidable circumstances. He believed that there would be a representative from the Hospital at the next meeting.

**2. O'Conner Hospital Presentation and Discussion:**

**a):** Postponed to next meeting.

**b) Cornerstone Presentation:** Brad Straub of Cornerstone/Greystone Communities gave a Powerpoint presentation on Continuing Care Retirement Communities. He stated that his organization works in affiliation with a couple of other organizations such as Greystone Communities and the American Baptist Homes of the West, who has experience in the area of senior care facilities, including a number of projects in the San Francisco Bay Area. He pointed out that the Grand Lake Garden facility a high rise building in Oakland, is located in a similar setting to the San Jose Medical Center site. Gary Schoennauer stated that none of the sites identified by Mr. Straub with the exception of the Oakland site resembles the San Jose Medical Center site. Mr. Straub described the typical model of a successful senior housing facility being comprised of 225 to 275 Independent Living units, 40-50 Assisted Living units, 15-20 Memory Supported Assisted Living (dementia), and 35-45 Skilled Nursing units. Maria Hennessy of the St. James/ Julian Street Neighborhood Association asked whether such a facility on the Medical Center site would be a high rise building, and expressed concerns about high rise development near the existing single family neighborhood.

Roz Dean asked how large does the facility have to be in order for it to be economically viable, and Mr. Straub responded that a minimum of 200 units would be required to make the community financially viable. Andrew Reid inquired about the religious affiliation of such facilities and Mr. Straub stated that there was no specific denomination required of its residents. However, the community is a faith-based organization founded on Christian values, but there are no requirements or bias based on religious belief. Responding to a statement by Roz Dean regarding the potential relationship between the local hospitals and the facility, Mr. Straub stated that a relationship would be built between the local hospitals and the continuing care retirement facility from an affiliation standpoint.

Kip Harkness provided clarification that the facility on the San Jose Medical Center could be planned with an Urgent Care unit attached to it but would have no Special Care facility or Emergency Room component.

Speaking on the costs of entering a CCRC, Mr. Straub stated that the units would be of market rate value with a pricing structure based on the average home value of in the County. The entrance fee would be matched with the median income near the project. Mr. Straub stated that he believes this price structure allows the majority of the demographics in the primary market area to afford living in the community. He also stated that the California Department of Health regulates these Continuing Care Retirement Communities and other facilities that provide skilled health services and the Continuing Care Accreditation Committee ranks facilities based on a wide range of parameters.

#### **b. Health Care Discussion:**

The Committee generally acknowledged the continuing need for a hospital in downtown San Jose; they expressed concern that they had not heard from the O'Connor Hospital facility regarding their willingness to acquire new hospital beds or to establish new medical facilities, which are important pieces of information. Henry Zaretsky indicated that he would try to obtain a written correspondence from O'Connor that addresses three issues prior to the next meeting. These three issues include: 1) the impact of San Jose Medical Center (SJMC) closure to O'Connor Hospital; 2) the question of phantom beds, or beds that are indicated on the license but not used, and the possibility to make these beds reality; 3) O'Connor's perspective on a downtown hospital. Roz Dean stated that she wanted to know how long is the waiting period at O'Connor due to staffing concerns and the closure of SJMC. Andrew Reid stated the same concerns related to staffing shortage.

### **3. Land Use Discussion:**

#### **a. Demolition Permit/EIR status update:**

Allen Tai provided an update on the pending Planned Development (PD) permit for the proposed demolition of nine buildings on the San Jose Medical Center site. Mr. Tai explained that since the filing of the application by HCA in January 2007, the Planning Director has determined that an Environmental Impact Report (EIR) will be required as part of the environmental analysis to study the environmental affects of the proposed demolition activities. As required under the

provisions of the California Environmental Quality Act (CEQA), a public meeting, called the public scoping meeting, is required to gather all public input and comments concerning the scoping of the analysis in the EIR. Mr. Tai announced that the public scoping meeting date is tentatively scheduled for Tuesday, July 10 and if the date and location is confirmed, there will be public notices mailed to properties within 1,000 feet of the medical center site in addition to online and on-site notification.

Julia Ostrowski requested that the neighborhood associations be notified of the public scoping meeting. Mr. Tai responded that the local Strong Neighborhoods Initiative representatives would be notified.

A question was asked about why Building 800 was excluded from the demolition proposal. Gary Schoennauer responded on behalf of the applicant, stating that Building 800 was the very first IBM facility located on the West coast and hence has some historical significance. There was a consensus by the Committee that they did not want any advertising interest by IBM as part of the Medical Center. In responding to whether the building could be reused or not, Mr. Schoennauer stated it was a possibility.

#### **b. Projected Growth in North San Jose and Coyote Valley:**

Terry Bottomley presented an assessment the projected growth in San Jose, specifically focusing on Downtown, North San Jose, and Coyote Valley. Data shows that while Downtown San Jose has and will experience substantial growth, the largest growth areas in the next 20 years are located in North San Jose and Coyote Valley. Mr. Bottomley pointed out that due to the City's effort to promote infill site developments there has been 26% increase in population in the downtown area since 1997. Future developments would be directed to the south and north of downtown area. Greater downtown is expected to grow up to 8,532 households by the year 2020, whereas North San Jose was slated to grow up to 32,000 households and Coyote Valley by 25,000 households.

Mr. Bottomley also presented a three-page inventory of potential sites of City and Redevelopment Agency-owned parcels that are at least five acres in size and more located in the transit corridor areas. The five-acre threshold is used to identify sites that could fit a modern medical facility, such as a small hospital or primary care clinic with urgent care services. Mr. Bottomley stated that any site worthy of study would be more than 5 acres in area. The reason why there was not more than one site identified in Council District 3 is that City owned parcels in District 3 tend to be smaller than 5 acres in size.

Maria Hennessy asked whether there was hospital interest on the Medical Center site and Gary Schoennauer stated that there has been no interest by another hospital. Several members of the Committee disagreed with Mr. Schoennauer stating that HCA, in the first place, had publicly made a statement not to sell the property to another hospital because it would be adding a competitor to HCA's Regional Medical Center operation. Mr. Schoennauer clarified that there was no hospital interest on the property from an economic perspective.

#### **4. Decision Making Process:**

##### **a. Recommendations for consideration.**

Kip Harkness presented a set of draft recommendations to the Committee and facilitated a discussion of varying levels of consensus by the Committee on each of the recommendations. Mr. Harkness reviewed 16 draft recommendations under the Proposals for Consideration subheading. The Committee used the consensus triangles to judge the level of consensus around the draft recommendations. Each Committee member has the option of displaying either Green (agreement) Yellow (neutral) or Red (disagreement) when presented with a proposal.

#### **D. Proposals for Consideration (partial list)**

1. **Primary Care Facility** The development of the site should facilitate the development of the primary care clinic(s), on or off site.  
**11 Green; 1 Red - Brownstein**
2. **Primary Care Facility Payer Mix** The primary care clinic would accept all patients in need of service without regard to payer source.  
**10 Green; 2 Yellow – Schoennauer, D. Hickey**
3. **Primary Care Facility Services** – In addition to the normal range of primary care services, the clinic should include a clinical laboratory and x-ray capabilities.  
**12 Green**
4. **Urgent Care Facility** The development of the site should facilitate the development of urgent care clinic(s), on or off site.  
**12 Green**
5. **Urgent Care Facility Payer Mix** The urgent care clinic would accept all patients in need of service without regard to payer source.  
**10 Green; 2 Yellow – Schoennauer, D. Hickey**
6. **Urgent Care Facility Referrals** – The referrals for specialty care and inpatient care should not distinguish between sources of payment.  
**11 Green; 1 Yellow – Schoennauer**
7. **Primary/Urgent Care Sponsorship** - the urgent care center and the primary care clinic should be under the same sponsorship/operated jointly, to enable efficient use of ancillary services, such as lab and x-ray.  
**11 Green; 1 Yellow – Schoennauer**
8. **Maximize Value** allow the remainder of the site (not needed for Primary/Urgent Care facilities) to divert to non-health-care development, with the intention of maximizing the value of the site to enable a sufficient subsidy to support the clinic's development.  
**5 Red; 5 Yellow; 2 Green**

9. **Joint City County Taskforce** - A formal committee or group comprised of City, County, and stakeholders (including all the major health care providers; Regional, O'Connor, Kaiser, Valley Medical, etc.) should be formed to work collaboratively on health care issues facing the downtown and the City. The work of this group would be coordinated with and informed by the general plan update (see below)  
**11 Green; 1 Yellow**
10. **General Plan Update.** The General Plan update should be expanded to include recommendations for health care/health care facilities/site to 2040. The question of best site(s) for future hospital/medical uses should be addressed as part of the General Plan update and should look at both the downtown, with a growing and aging population, as well as other growth areas in the city including North San Jose and Coyote Valley.  
**12 Green**
11. **Bridge Retrofit/Replacement** - The bridge(s) across Coyote Creek at Santa Clara and XX that provide connections between downtown and the east side should be seismically retrofitted/replaced to allow emergency vehicle access in case of earthquake. (verify)  
**11 Green; 1 Red – Pambianco**
12. **Retail/Commercial Minimum Square Footage** should be part of the development along Santa Clara Street (some X minimum amount of square footage should be required to be neighborhood serving retail)  
**6 Green; 6 Yellow**
13. **Retail/Commercial Urban Form** development should be urban in form, ideally vertically mixed with other uses above (i.e. *not* stand alone “power center” type retail, with large amounts of surface parking)  
**9 Green; 3 Yellow**
14. **Retail/Commercial Maximum Square Footage** The maximum amount of retail square footage should be determined by market considerations, as long as the form of the retail conforms to the design recommendations for the site (i.e. mixed use, no monolithic parking, etc.)  
**7 Yellow; 3 Green; 2 Red**
15. **Block Pattern** - The original traffic grid/block pattern should be restored (But not to through traffic)  
**9 Yellow; 3 Green**
16. **Health Care v. Fire Station Relocation** - A Primary/Urgent Care Facility is a higher priority than the relocation of the Fire Station  
**7 Green; 4 Yellow; 1 Red**

**5. Logistics:**  
**a. Workplan**

Allen Tai presented an updated work plan based on the discussion that occurred at the previous meeting. The revised work plan shows recess in July and a meeting each on the third Wednesday of August and September. Mr. Tai explained to the Committee that staff resources for the process will no longer be available after the month of September and that given the progress of the Committee, the process should be completed by the end of September.

Les Levitt was concerned that there are too few meetings left to complete the remainder of the discussion. Gary Schoennauer noted that he is unavailable for the entire month of September and requested a meeting in October instead. The Committee suggested reinstating a July meeting and moving the September meeting to early October. Mr. Tai indicated that there is also a community meeting tentatively scheduled for August 22, but the exact date will be selected depending on the progress of the Committee's discussion. The idea is to have the community meeting occur prior to the final SAC meeting so that the Committee can consider any feedback from the general public.

The meeting was adjourned at 8:00 p.m.